

App. Serial No.: 09/760,271

Atty. Docket No.: 0013-011P1

REMARKS**BEST AVAILABLE COPY**

Claims 1-36 are pending and rejected in the above-identified application. Claims 1-3, 5-7, 9-11, 13-21, 23 and 24 are being amended. Claim 4 is being canceled. Claims 1-3 and 5-36 remain pending. Reconsideration is requested.

In paragraph 3, the Examiner rejected Claims 1-36 under 35 U.S.C. § 102(b) as being anticipated by Blonder.

As part of the overall credit approval process, Blonder discloses card-holder verification (referred to as "approval" in Blonder) of a transaction approval request. Blonder implements verification in a manner opposite to the claimed invention. That is, in Blonder, card-holder verification is required for transactions that meet certain trigger conditions. See, for example, Fig. 3 of Blonder and the description at Col. 6, Lines 5-24. On the other hand, the present invention requires account-holder verification for transactions that do not meet the pre-verification condition.

Claim 1 as amended recites as follows:

1. A computer system for verifying a commercial transaction between a user with credit card information and a merchant, said computer system comprising:
  - a processing unit for processing data and code; and
  - memory for storing said data and said code, said data and said code comprising
    - a merchant communications module operative to facilitate a connection with said merchant for receiving a transaction approval request, said transaction approval request including information to identify an account-holder associated with said credit card information,
    - at least one pre-verification condition associated with said account-holder, said pre-verification condition defining a pre-verified circumstance when account-holder verification is not needed,
    - an authorization module responsive to said transaction approval request and operative to compare said transaction approval request with said at least one pre-verification condition, to verify said transaction approval

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request without account-holder verification if said at least one pre-verification condition is satisfied, and to verify said transaction approval request with said account-holder if said at least one pre-verification condition is not satisfied, and

an account-holder communication module operative to enable the account-holder to set said pre-verification condition, so that said account-holder can specify the circumstances when account-holder verification is not needed.

Similarly, Claim 13 as amended recites as follows:

13. In a computer system, a method for verifying a commercial transaction between a user with credit card information and a merchant, said method comprising:

- storing at least one pre-verification condition for an account-holder associated with said credit card information, said pre-verification condition defining a pre-verified circumstance when account-holder verification is not needed;
- receiving a transaction approval request from said merchant, said transaction approval request including information to identify said account-holder;
- comparing said transaction approval request to said pre-verification condition;
- verifying said transaction approval request without account-holder verification if said pre-verification condition is met; and
- verifying said transaction approval request with said account-holder if said pre-verification condition is not met.

This distinction is significant, providing several possible advantages over the system of Blonder. One possible advantage is that certain embodiments may require less data storage. For example, commercial transactions with a single merchant may always be trusted. Using an embodiment of the claimed invention, a single merchant code corresponding to that merchant needs to be stored. Applying and expanding the teachings of Blonder, merchant codes for every existing unauthorized merchant needs to be stored. Another possible advantage is that embodiments of the present invention may be more effective. For example, according to the claimed invention, if a pre-verification condition is satisfied, the transaction need not be verified by the account-holder. Thus, if a particular merchant code is used as a pre-verification condition, all transactions from that merchant are pre-verified without requiring account-holder verification.

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In contrast, applying the teachings of Blonder, such as system is not possible. Since transactions require verification with the card-holder if any one of the several trigger conditions are met, a user of the Blonder system could not effectively pre-verify all transactions for a particular merchant. If any trigger condition is met (e.g., a trigger condition wherein an predefined limit is exceeded), approval from the card-owner would be required.

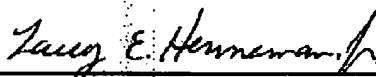
For the above reasons, Applicant respectfully asserts that Blonder does not disclose the limitations recited in amended Claim 1 or amended Claim 13. Since Claims 2, 3 and 5-12 depend from Claim 1 and Claims 14-36 depend from Claim 13, Applicant respectfully submits that they are distinguished for at least the same reasons.

Applicant respectfully requests withdrawal of the rejections under 35 U.S.C. § 102.

If the Examiner has any questions or suggestions for expediting the prosecution of this application, the Examiner is requested to contact Applicant's attorney at (269) 279-8820.

Respectfully submitted,

Date: 2/23/07



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**CERTIFICATE OF FACSIMILE TRANSMISSION (37 CFR 1.8(a))**

I hereby certify that this paper (along with any referred to as being attached or enclosed) is being transmitted via facsimile, on the date shown below, to: MS: RCE, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, at (571) 273-8300.

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